

State Law Changes the CalWORKs Income Disregards

As of July 1, 2011, there are new rules in the CalWORKs program that may change your cash aid. When your grant is calculated, the amount you get is based on your household size and any income that you may have. The law allows for certain income to not be counted against your cash aid (income disregards). The new law changes the earned income disregard. These changes could mean that your CalWORKs cash aid may be cut as of the first month of your next Payment Quarter. If your grant is cut, you will get a notice showing how the county arrived at the new grant amount. As with all notices, you have the right to ask for a hearing, if you disagree.

The new way to calculate your CalWORKs cash aid will be:

- ✧ If your family gets more than \$225 a month of Disability Income (DI), only \$225 will be disregarded. (DI can be Social Security disability, workers compensation, state disability benefits, etc.) The DI over \$225 will be subtracted from your grant amount.
- ✧ If your family gets \$225 or less a month of DI, none of the DI will count when figuring your cash aid payment.
- ✧ If you also have earned income, any amount of the \$225 DI disregard remaining, or \$112, whichever is less, will not be counted as income when your cash aid is calculated.
- ✧ In addition, 50% of any remaining earned income will also be disregarded.
- ✧ The remainder is your net countable income. This is the amount that will be used to figure your grant.

Below is an example of how cash aid will be calculated:

A family with a mother and two children has gross earned income of \$800 per month. Each child gets \$100 in disability benefits based on the absent parent's disability claim.

\$200 Disability Income (DI)
-225 DI disregard
(\$-25) Remaining Earned Income Disregard (EID)

\$800 Earned Income
-25 Remaining EID (From above)
\$775
-50% EID
\$387 Total Countable Income
\$638 Maximum Aid Payment (Family of 3 in Region 1)
-387 Total Countable Income
\$251 Monthly Grant Amount

These changes also apply to Refugee Cash Assistance, Entrant Cash Assistance, and Trafficking and Crime Victims Assistance (TCVAP cash assistance and TCVAP CalWORKs) recipients, since cash aid payments under these programs are based on CalWORKs amounts.

You will get a Notice of Action (NOA) showing how this grant cut was made. If you also get CalFresh, you may get more CalFresh benefits because of the grant cut. If so, you will get a separate NOA informing you of your new CalFresh amount.
